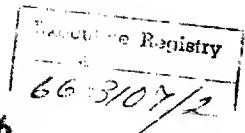


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16 July 1966

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Payment to Employees for Loss of Private Insurance Benefits Attributable to Agency Duties

REFERENCES : (a) Memo dtd 14 July 1966 to ExDir-Compt fr ADD/S, same subj
(b) Memo dtd 19 April 1966 to DCI fr D/Pers, subj: Payment to Employees for Loss of Insurance Benefits Attributable to Agency Duties or for Related Reasons

1. I have read References (a) and (b) and their attachments with some care and approve your proposal to return the Director of Personnel's memorandum to him without action and to advise the other Deputy Directorates of your action and the reasons therefor.

2. I am most sympathetic in principle to the proposal of the task force, and if the experience cited in the attachment is an indication of what the future holds, the costs of such a program do not appear to be excessive. It seems clear that this is not a problem unique to CIA and that, in fact, it might have much more application to the armed services than to the Agency.

3. In this connection, we cannot ignore but must take seriously the action which the Congress has taken regarding the armed services. All things considered, I think it would be inappropriate for the Director to determine that this program is necessary to carry out the functions of the Agency. In fact, I think such a determination could not be sustained before our Congressional subcommittees and/or the Comptroller General.

/s/ L. K. White

L. K. White

Executive Director-Comptroller

Attachments: References (a) and (b)

REF ID: A65724

cc: General Counsel

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DJS

ExDir:LKW:jrf/L/B

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66-31071
GROUP 1
downgrading and
declassification

DD/S 66-3633

14 JUL 1966

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Payment to Employees for Loss of Private Insurance Benefits Attributable to Agency Duties

1. This memorandum contains a proposal in paragraph 4. If you agree with this proposal, it is requested that you return the papers to us.

2. Over the past ten months, in response to a request from the DD/S&T, we have attempted to develop a plan to reimburse employees for their privately obtained life insurance which would be invalidated by reason of their duties or assignment. This is a very controversial subject and a good case can be made in support or in opposition to it. The attached memorandum from the Director of Personnel recommends approval of such a plan. However, the General Counsel has expressed serious reservations in a separate attachment (Tab B).

3. In view of the very recent and very substantial increase in benefits under the Federal Employees Compensation Act, we believe that there is less need for protecting personnel against loss of private insurance coverage and, furthermore, we are not at all sure that we should undertake a program of this kind which would be unique in the Federal Government. Even if we were to be successful in obtaining the Director's approval, we consider that the several Congressional committees and the Bureau of the Budget would look askance at our initiative.

4. We propose, therefore, to return this paper to the Director of Personnel without action and advise the other Deputy Directorates of our action and the reasons therefor.

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Assistant Deputy Director
for Support

Att:

Memo to DCI fm D/P dtd 19 Apr 66, same subj (proposed)

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GROUP 1
downgrading and
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19 APR 196666-3107
APR 1966

MEMORANDUM FOR : Director of Central Intelligence

SUBJECT : Payment to Employees for Loss of Insurance Benefits Attributable to Agency Duties or for Related Reasons

REFERENCE : Memo for DCI fr D/Pers, Same Subj., dtd 24 Jan 66

1. This memorandum contains recommendations for your approval. Such recommendations are contained in paragraph 5.

2. Referenced memorandum requested your approval of a system of payments to Agency staff personnel who suffer death or disability in the performance of their Agency duties under circumstances which negate insurance coverage held by these employees.

3. A task force, consisting of the Director of Personnel as Chairman, representatives of the Deputy Directors primarily concerned, and the Deputy General Counsel, was appointed by the Deputy Director for Support to look into the matter of loss of insurance benefits by Agency personnel resulting from their Agency assignments. Subsequently, the referenced memorandum (Tab A) was prepared and forwarded for coordination. While the four Deputy Directors or their representatives concurred, the Deputy General Counsel non-concurred in his capacity as a member of the task force; he stated, however, no legal objections to the proposal if you determine that the proposal is necessary to carry out the functions of the Agency.

4. The memorandum of the Deputy General Counsel (Tab B) discusses additional aspects of the basic proposal which he feels should be considered by you in making a decision. In passing, I must state that the problem we are trying to solve is by no means a "normal administrative" problem such as confronts the "ordinary Government agency". It may not be exclusive to CIA but I know of no legal interpretation or decision which limits the use of the Director's legislative authorities to problems unique to CIA. As to the possibility of opposition in some Congressional quarters, one can always find it if one seeks it. Should you agree, however, that the proposal should be discussed with the CIA Subcommittees in the House and Senate, we are prepared to do so upon your approval in principle of the basic proposal.

5. It is recommended that you:

a. Approve in principle the proposals set forth in paragraph 14 of

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the referenced memorandum as being necessary to carry out the functions of the Agency; and,

b. Authorize the implementation of the proposals if no Congressional obstacles are encountered.



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Director of Personnel

Atts: 2

Concur:

Deputy Director
for Support

Date

Concur:

Executive Director-Comptroller

Date

The recommendations in paragraph 5 are approved:

Director of Central Intelligence

Date

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1 - ER
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